

**Contract for Services
Between the Bloomington Port Authority
&
Metropolitan Consortium of Community Developers
for the Open to Business Program**

THIS AGREEMENT, is made and entered into as of the 7th day of March, 2015, between the Bloomington Port Authority and **Metropolitan Consortium of Community Developers**, (herein called "MCCD").

WHEREAS, the Bloomington Port Authority wishes to retain an entity with the capacity to provide small business technical assistance to existing businesses and those parties interested in opening a business in Bloomington (the "Initiative") and

WHEREAS, MCCD has represented itself as competent to provide the services required to administer and carry out the Initiative; and

WHEREAS, the Bloomington Port Authority wishes to engage MCCD to provide said services necessary to carry out the Initiative;

NOW THEREFORE, it is agreed between the parties hereto that;

1. TIME OF PERFORMANCE

The service to be provided by MCCD shall commence upon execution of this Agreement and shall terminate as of December 31, 2015. All services, documents, and information to be furnished or performed by MCCD in order to carry out the Initiative shall be furnished or performed as promptly as possible, and with the fullest due diligence.

2. COMPENSATION

Total compensation to MCCD shall be \$17,500 for the term of this Agreement (the "Contract Amount") to manage the Bloomington Open to Business program. The Contract Amount will be paid in two equal installments: \$8,750 due and payable by the Bloomington Port Authority upon execution of this Agreement, and \$8,750 invoiced and dated on or about 6 months from the agreement date. It is understood by the parties that the second payment will be made from grant funds to be received from the Hennepin County Housing Redevelopment Authority (HCHRA), and the HCHRA may make the payment directly to MCCD.

3. SCOPE OF SERVICES

MCCD will use the Contract Amount to provide technical assistance to existing Bloomington businesses, Bloomington residents and other parties interested in starting a business in Bloomington as more fully described in **Exhibit A**.

4. REPORTING

MCCD agrees to submit quarterly reports related to its operation of the Bloomington Open to Business program. Items to be reported on include, but are not limited to, the following:

- Number of inquiries
- Hours of technical assistance provided
- Type of assistance provided
- Type of business
- Annual sales revenue
- Number of businesses opened
- Number of businesses expanded/stabilized and a description of the expansion/stabilization activities
- Number and amounts of financing packages
- Demographic information on entrepreneurs

The required reporting schedule is as follows:

1st quarter January – March, report due April 30th

2nd quarter April – June, report due July 31st

3rd quarter July – September, report due October 31st

4th quarter October – December, report due January 31st of 2016

MCCD will provide additional reports as requested by the Bloomington Port Authority.

5. INDEPENDENT CONTRACTOR RELATIONSHIP

It is expressly understood that MCCD is an “independent contractor” and not an employee of the Bloomington Port Authority. MCCD shall have control over the manner in which the services are performed under this Agreement. MCCD shall supply, at its own expense, all materials, supplies, equipment and tools required to accomplish the work contemplated by this Agreement. MCCD shall not be entitled to any benefits from the Bloomington Port Authority, including, without limitation, insurance benefits, sick and vacation leave, workers’ compensation benefits, unemployment compensation, disability, severance pay, or retirement benefits.

6. PERSONNEL

MCCD represents that it has secured, or will secure, at its own expense, all personnel required to perform the services to carry out the Initiative. Such personnel shall not be employees of or have any contractual relationship with the Bloomington Port Authority.

No tenure or any other rights or benefits, including worker's compensation, unemployment insurance, medical care, sick leave, vacation pay, severance pay, or any other benefits available to Bloomington Port Authority employees shall accrue to MCCD or employees of MCCD performing services under this agreement. The MCCD is an independent contractor.

All of the services required to carry out the Initiative will be performed by MCCD, and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under State and local law to perform such work.

7. INTEREST OF MEMBERS OF THE AUTHORITY, CITY, HRA AND OTHERS

This paragraph applies to any officer, member, or employee of the Bloomington Port Authority, or its governing body, and to any other public official or governing body of the locality in which the Initiative is situated or being carried out, who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of the Initiative ("Official"). No Official shall participate in a decision relating to this Agreement, if the decision affects the Official's personal interest or the interest of any corporation, partnership, or association in which the Official is directly or indirectly interested, or if the Official has any personal or pecuniary interest, direct or indirect, in this Agreement or proceeds thereof.

8. ASSIGNABILITY

MCCD shall not assign any interest in this Agreement, and shall not transfer any interest in the same without the prior written approval of the Bloomington Port Authority thereto.

9. COMPLIANCE WITH LOCAL LAWS

MCCD agrees to comply with all federal and state laws, statutes and applicable regulations and the ordinances of the City of Bloomington.

10. INSURANCE

MCCD will provide the Bloomington Port Authority with a certificate of insurance showing that MCCD has workers' compensation and commercial general liability insurance, and if necessary, automobile insurance. The certificate will show that MCCD meets the statutory requirements for workers' compensation and meets the minimum limit of insurance for the commercial general liability insurance required by the Bloomington Port Authority of \$1,500,000. If MCCD operates a motor vehicle in performing the services under this Agreement, MCCD shall maintain commercial automobile liability insurance, including owned, hired, and non-owned automobiles, with a minimum liability limit of \$1,000,000, combined single limit. The certificate of insurance will also name the Bloomington Port Authority as an additional insured on the commercial general liability policy.

11. HOLD HARMLESS

To the fullest extent permitted by law, MCCD agrees to defend, protect, indemnify and hold harmless the Bloomington Port Authority, its agents, officers and employees from and against all claims, actions, liabilities, losses, damages, costs, and expenses, whether

personal, property, or contractual, including reasonable attorney's fees, arising out of, or related to the performance of this Agreement by MCCD, its officers, employees, servants, agents, or contractors.

Subject to the limitations and defenses in Minnesota Statutes, Section 466, the Bloomington Port Authority agrees to defend, protect, indemnify and hold harmless the MCCD, its agents, officers and employees harmless from and against all claims, actions, liabilities, losses, damages, costs, and expenses, whether personal, property, or contractual, including reasonable attorney's fees, arising out of, or related to the performance of this Agreement by the Bloomington Port Authority, its officers, employees, servants, agents, or contractors.

The obligations under this paragraph shall survive termination of this Agreement with respect to acts or omissions that occur prior to the termination of this Agreement.

12. NOTICES

A notice, demand, or other communication under the Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by mail, postage prepaid, return receipt requested, or delivered personally; and

(a) In the case of MCCD, is addressed or delivered personally to:

David Chapman, Director of Lending and Operations
Metropolitan Consortium of Community Developers
3137 Chicago Avenue South
Minneapolis, MN 55407

(b) In the case of the Bloomington Port Authority:

Schane Rudlang
Port Administrator
Bloomington Port Authority
1800 West Old Shakopee Road
Bloomington, MN 55431-3027

or at such other address with respect to any party as that party may designate in writing and forward to the other as provide in the Section.

13. MODIFICATION

This Agreement may not be modified, changed, or amended in any manner whatsoever without the prior written approval of all the parties hereto.

14. TERMINATION. If a party commits a material breach of this Agreement and fails to cure such breach within 10 days after written notice by the other party, this Agreement shall be automatically terminated. The Bloomington Port Authority may also terminate this

Agreement upon at least 30 days' notice, if the Port Authority does not receive the grant from the HCHRA for the second half of the Contract Amount. All payments made or due under this Agreement shall be prorated as of the effective date of termination.

15. GENERAL PROVISIONS.

- A. Nondiscrimination. In the hiring of employees to perform work under this Agreement, MCCD shall not discriminate against any person by reason of any characteristic protected by state or federal law.
- B. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Minnesota. All proceedings related to this Agreement shall be venued in the State of Minnesota.
- C. Government Data. MCCD agrees to maintain all data received from the City in the same manner as the City as required under the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first written above.

BLOOMINGTON PORT AUTHORITY

**METROPOLITAN CONSORTIUM
OF COMMUNITY DEVELOPERS**

By: _____
Port President

By: _____
Jim Roth, Its Executive Director

By: _____
Port Administrator

By: _____
Reviewed by General Counsel

Exhibit A

Scope of Services

Open for Business Technical Assistance Services

MCCD will provide intensive one-on-one technical assistance to Bloomington businesses, Bloomington residents and aspiring entrepreneurs intending to establish, purchase, or improve a business in Bloomington. Technical assistance includes, but is not limited to, the following:

- Business plan development
- Feasibility analysis
- Marketing,
- Cashflow and other financial projection development
- Operational analysis
- City and State licensing and regulatory assistance
- Loan packaging, and other assistance in obtaining financing
- Help in obtaining competent legal advice

MCCD will also provide technical assistance on a walk-in basis monthly in Bloomington City Hall or as requested at a place of business within Bloomington.

Open for Business Access to Capital

MCCD provides access to capital to qualifying businesses through MCCD's Emerging Small Business Loan Program (see **Exhibit B** Small Business Loan Program Guidelines below). MCCD also provides its financing in partnership other community lenders, banks or both. MCCD is solely responsible for determining loan eligibility and providing loan funds. The Contract Amount paid to MCCD shall only be used for MCCD's technical assistance services and will not be used as loan funds.

EXHIBIT B

Small Business Loan Program Guidelines

Loan Amounts:

- Up to \$25,000 for start-up businesses
- Larger financing packages for established businesses
- Designed to leverage other financing programs as well as private financing provided by the commercial banking community.

Eligible Projects:

- Borrowers must be a “for-profit” business.
- Business must be complimentary to existing business community.
- Borrowers must have equity injection as determined by fund management.

Allowable Use of Proceeds:

- Loan proceeds can be used for working capital, inventory, building and equipment and general business operations.

Interest Rates:

- Loan interest rate is dependent on use, term and other factors, not to exceed 10%.

Loan Term Length:

- Loan repayment terms will generally range from three to five years, but may be substantially longer for major asset financing such as commercial property.

Fees and Charges:

- Borrowers are responsible for paying all customary legal and other loan closing costs.